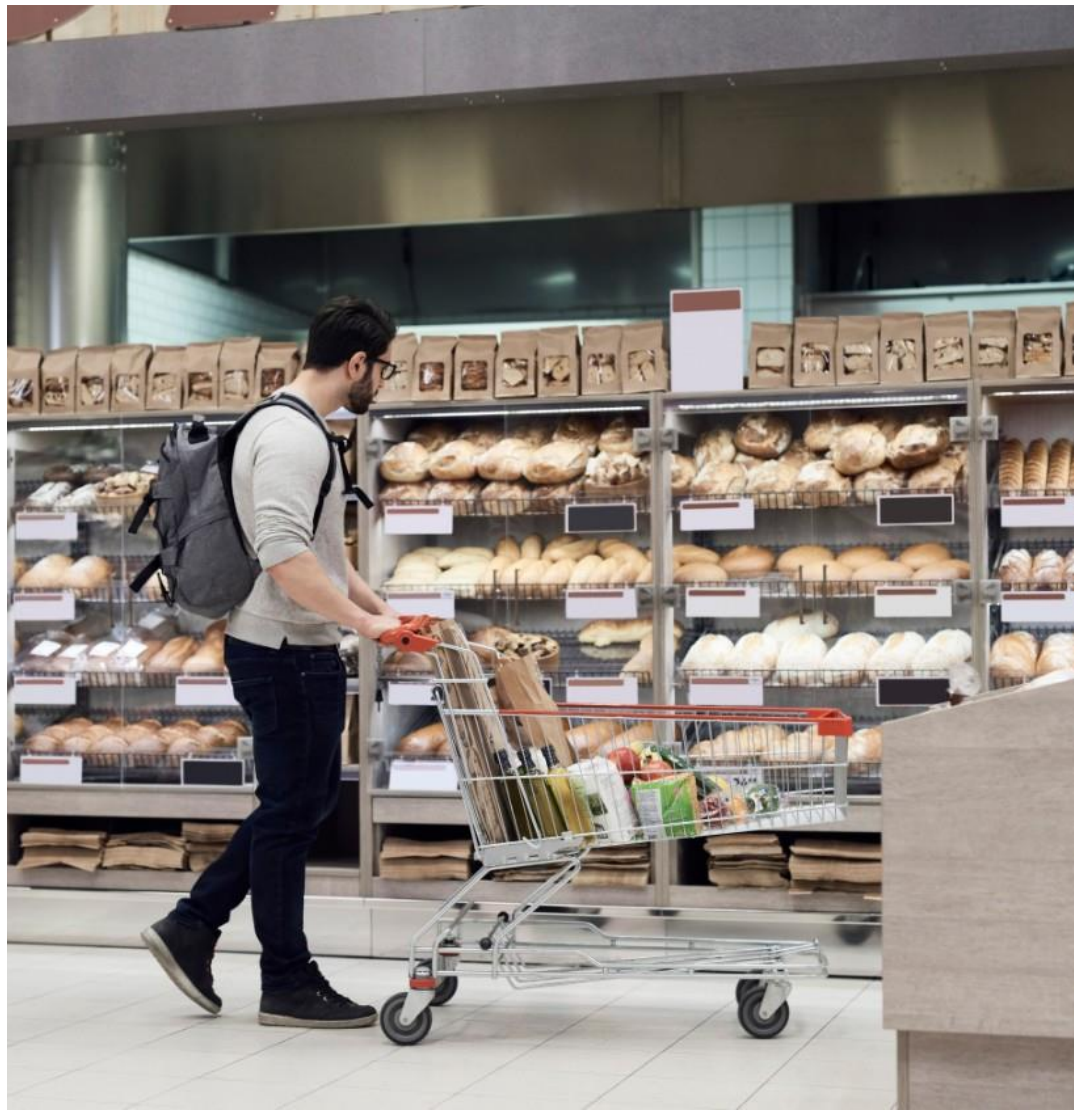


Retail and Consumer Deals Digest

October 2020



Retail and Consumer Deals Digest

Confidence increases for fourth straight week, driven by increases in Sydney & Perth

September witnessed an increase in consumer sentiment, reaching a high of 95 (compared to 114.7 at the same time last year) and is now above the 2020 weekly average of 93.7. Financial conditions improved with current finances up 1.0% and future finances up 0.3%.

Compared with August figures, economic conditions improved significantly. In September, consumer sentiment reached 95 from 86.5 in early August, primarily driven by an increase of 10.3% in current economic conditions.

"Consumer confidence improved for the fourth week straight to its highest level in more than three months. By far the largest contribution came from 'current economic conditions' which has jumped almost 20% over the past fortnight. This likely reflects expectations for significant additional spending to be announced in next week's federal budget." – **Catherine Birch, ANZ Senior Economist, 29 September 2020**

Latest Australian ABS trade results

The latest Australian Bureau of Statistics (ABS) Retail Trade figures show that Australian retail turnover fell by 4.0% in August 2020 (seasonally adjusted), which follows a rise of 3.2% in July, and a rise of 2.7% in June 2020.

The following industries fell in seasonally adjusted terms in August 2020: Household goods retailing (-6.0%), Other retailing (-5.1%), Cafes, restaurants and takeaway food services (-6.6%), Food retailing (-0.2%), Clothing, footwear and personal accessory retailing (-10.5%), and Department stores (-8.9%).

The following states and territories fell in seasonally adjusted terms in August 2020: New South Wales (-2.0%), Queensland (-1.1%), Western Australia (-0.4%), South Australia (-0.9%), Tasmania (-0.2%), Victoria (-12.6%) and rose for the Northern Territory (2.0%) in seasonally adjusted terms.

Sources: ABS data released 02 October 2020. Data refers to the seasonally adjusted estimate increases/decreases by industry/state

ANZ-Roy Morgan Weekly Consumer Confidence Rating



Source: ANZ-Roy Morgan Weekly Consumer Confidence Index



Announced deals

According to Mergermarket, announced retail deal activity for FY2021TD⁽¹⁾ decreased in value compared to the prior comparable period (PCP), with volumes declining significantly. 20 deals totalling AUD\$2.1bn were announced in the FY21TD period, versus 46 in the PCP, valued at AUD\$22.6bn.

In the last twelve months (LTM), deal value compared to the PCP has declined significantly with deal volume also witnessing a fall, from 163 announced deals (AUD\$55.8bn)⁽²⁾ to 115 (AUD\$10.3bn).

Australia and New Zealand Announced Retail and Consumer deals (FY2021TD⁽¹⁾ and LTM vs. PCP)

Deal value (in A\$m)	FY2021TD ⁽¹⁾		PCP ⁽²⁾		LTM		PCP ⁽²⁾	
	# of deals	Deal value	# of deals	Deal value	# of deals	Deal value	# of deals	Deal value
\$0 to \$5M	0	0	0	0	0	0	0	0
\$6 to \$10M	0	0	4	40	7	64	12	111
\$11 to \$20M	7	117	7	112	21	343	25	381
\$21 to \$30M	2	56	3	72	11	299	12	303
\$31 to \$50M	3	138	2	90	13	543	12	515
\$51 to \$100M	0	0	4	279	16	1,048	12	927
\$101 to \$300M	0	0	1	112	4	675	11	2,017
\$301 to \$500M	1	459	1	500	4	1,612	3	1,321
>\$500M	2	1,358	4	21,371	7	5,685	13	50,192
Subtotal	15	2,128	26	22,576	83	10,269	100	55,767
Undisclosed	5	n/a	20	n/a	32	n/a	63	n/a
Total Announced	20	2,128	46	22,576	115	10,269	163	55,767
Total Completed	9	124	39	21,595	87	5,855	152	54,582

Source: Mergermarket, based on announced and completed transactions as at 30 September 2020

(1) FY2021TD refers to the period 1 July 2020 to 30 September 2020, reflecting the latest available Mergermarket data

(2) The deal value for PCP includes the transaction for Asahi Groups acquisition of CUB Pty Ltd from Anheuser-Busch InBev NV in July 19 (~A\$16bn) and Kohlberg Kravis Roberts & Co.'s acquisition of Campbell International from Campbell Soup Company in August 19 (~A\$3bn)

Selected recently completed / announced deals

- 01 October 2020 – Private equity firm Tanarra Capital announced its acquisition of a 70% stake in Barambah Organics, an Australian vertically-integrated dairy products company for A\$50m.** The founders will retain a 30% stake and will continue to manage operations and support the company's growth strategy alongside ex-Accolade Wines boss, Matthew Stanton, who is rumoured to be stepping into the role of CEO. The investment strategically facilitated Tanarra Capital's entry into the milk industry, and the private equity firm is rumoured to be interested in expanding its presence in the sector via the potential acquisition of Lion's dairy business.
- 01 October 2020 – Adore Beauty, Australia's largest pure-play online retailer of beauty and personal care products, is expected to hit the ASX boards later this month priced at A\$6.75 per share, taking its market value to A\$635m.** The ASX-listing is set to provide the company with an opportunity to strengthen its competitive advantage via further improving its core capabilities and delivering on its long-term, sustainable growth strategy. Private equity firm Quadrant is selling 40% of its current holding for A\$137.2m and will retain a 32.5% stake alongside the founders, who will each retain a 10.8% stake in the company.
- 18 September 2020 – Private equity firm BGH Capital announced its acquisition of a 55% stake in online travel agent Tripadeal from the company's founders for A\$30m.** The acquisition is expected to enhance the growth of the company and will also allow the customers to receive full trip benefits following the challenges experienced as a result of the COVID-19 pandemic. BGH made the investment through its maiden fund, which closed at A\$2.6bn in 2018.
- 10 September 2020 - Former Myer CEO Bernie Brookes acquired a 90% stake in the designer-inspired private label handbags, jewellery and accessories business Colette by Colette Hayman, which went into administration in February 2020.** Brookes cited the business' strong brand, private label margins and customer base as strategic rationale for the acquisition. Brookes plans to close c. 75% of Colette by Colette Hayman's 138 stores and retain only one-third of the group's permanent 300 staff. Colette's focus was to now become a true omnichannel business, with just 35 bricks and mortar outlets and a substantial online presence, which would position itself for an upturn once the COVID-19 pandemic had passed. Brookes will become the Executive Chairman of the business alongside John Skellern, a former Myer and Woolworths executive, as CEO.

Source: Mergermarket, based on announced and completed transactions within the last month

Also recently in the news

- **Activewear designer and manufacturer, Adidas,** launched its largest Australian store in Adelaide. The company planned for expansion, primarily due to the increasing demand for international brands and strong trading despite the pandemic
- **Travel retailer Flight Centre, announced to close ~90 further stores across Australia,** prompted by the continued domestic and international travel bans put in place to stem the spread of the coronavirus. After the mass shutdown **the business will hold a total national network of ~330 shops in its flagship brand,** though 60 of these will remain in hibernation for the next 6 to 12 months
- **An online retailer, Amazon, partnered with Myer, an Australian department store chain,** according to which the people would be able to buy the items on Amazon and collect the items from their nearest Myer's store
- **Jewellery retailer Michael Hill officially launched pureplay digital brand Medley,** which aims to serve as an on-trend offering. The brand would be available to consumers online and will offer products across a mix of metals including silver, yellow 18k gold plated, solid 10k gold and rose gold plated
- **Premier Investments, threatens to exit 350 of its 1040 Australasian stores,** if landlords do not agree to lower rent deals. The company will also begin a major restructuring of its Smiggle operations in Britain, where it will close 55 of the brand's 131 bricks-and-mortar stores. The move is primarily driven by the impact of COVID-19, which led to rapid shift in consumers' buying patterns as they were forced online
- **Pharmacy chain Priceline has suffered reputational fallout as fake beauty products** were discovered to be sold from 4 of its Sydney outlets. The chain has instituted a recall on the product – branded "The Ordinary", which had been sourced "from an unauthorised and invalid source"
- A number of **food distributors have banded together to oppose Woolworths' proposed A\$552 million majority acquisition of PFD Food Services.** The industry body claims that the deal would give the supermarket a large share of the market and the ability to provide cheaper products
- **Chinese technology manufacturer Huawei, launched its second experience store in Sydney.** The store will allow customers to test products, ecosystem and photography capabilities
- **Allbirds, a footwear company, raised US\$100 million in Series E funding round led by Franklin Templeton.** The company plans to use the proceeds strategically to enter new product categories while maintaining its commitment to sustainable material innovation
- **Grocery Chain, Harris Farm is seeking to expand its store network nationwide,** accelerating its expansion with 2 new stores planned for Brisbane. The first store is expected to open in November 2020 with the second store in May 2021
- **Australian Pharmaceutical Industries (API), which is a parent company of Priceline Pharmacy,** seeks to construct a new NSW distribution centre at Marsden Park to improve its supply-chain capabilities. The centre will provide significantly greater **operational benefits through a leading-edge automation system and smart warehouse design**
- **Wesfarmers' online retailer Catch Group seeks to increase capacity** by ~40% by installing over 100 mobile robots at its Truganina distribution centre in Melbourne, which would enable it to pick an additional 2,000 orders an hour, and expand its range by 80,000 stock-keeping units to over 1 million
- **Country Road Group CEO Scott Fyfe is set to become David Jones' fifth chief executive in five years** after an eight-month recruitment period

Source: Inside Retail



Also recently in the news

- **SPC, a fruit and vegetable processor, seeks to raise A\$100 million through a private share placement** to institutional and high net worth investors. The offer would value the company at A\$260 million. The company plans to use the funds to expand its product portfolio, sales channel and offshore operations
- **As reported by AFR, Zivi Peak, a private New Zealand-based pet food business, is rumoured to be in talks with the potential buyers.** The company's owners are believed to have held talks with private equity and trade buyers in Australia, New Zealand and elsewhere. **The sale is expected to value the company ~A\$400 million**
- As reported by New Zealand Herald, **My Food Bag, a New Zealand-based meal kit delivery company, is looking for options regarding a possible stock market debut or sale of the business.** PwC has been formally mandated by the owners to test the appetite of the market
- **CDH Investments may seek to divest GO Healthy, a New Zealand based natural health supplement business and is currently in talks with potential buyers.** The Asian private equity firm is likely to appoint advisors from Australia/New Zealand that have a global reach, with sale process expected to start in New Year
- **Listed Singaporean food group QAF, seeks to sell Rivalea, Australia based pig and stockfeed business.** The Australian reported, that Rabobank has been hired to work on the sale
- **As reported by AFR, Corio Bay Dairy Group administrators are seeking expressions of interest for the business**
- **Nutritional Growth Solutions (NGS), an Israel-based children's supplement company, plans to raise ~A\$7 million through an IPO of shares on the ASX.** The company seeks to issue ~35 million shares at an offer price of A\$0.20 per share. Baker Young is acting as the lead manager to the offer
- **Wide Open Agriculture, an Australian regenerative food and agriculture company, is exploring acquisitions and partnerships in Australia** to grow and expand its food brand, streamline its supply chain and improve operational efficiency
- **As reported by AFR, Geminder's Kin is considering options for Australia's second-biggest biscuit business,** including the largest supplier of private label biscuits to the major supermarkets, housed inside Green's Foods
- **Australian billionaire Andrew Forrest's private investment group Tattarang, seeks to acquire RM Williams, an Australia-based bootmaker,** for a price much higher as compared to TPG Capital, which led to exit of the TPG from the auction. Further, **L Catterton, the current owner of RM Williams has been seeking A\$400 – A\$500 million,** but it is anticipated that the company could be acquired for 10x earnings, which were A\$23 million in FY19
- As reported by AFR, **Australian Toy Wholesaler, Funtastic, plans to merge with Hobby Warehouse, a family-owned, Australia-based toy retailer.** Further, the company also confirmed that no agreement has been signed yet and is in the process of negotiating a potential acquisition
- As reported by AFR, **Bio-E, an Australia-based health and beauty products business, is believed to have hired GF Securities to help seek buyers** and the latter has marketing the business to private equity and trade buyers such as vitamins businesses, pharmaceutical companies, and beauty brand owners
- As reported by The Australian, **Pas Group, an Australia-based retail group, is close to sign an agreement to be partially acquired by Larry Kestelman,** the chairman of Melbourne-based private equity firm Queens Lane Capital
- **McCain Foods has hired Rothschild Australia to run an auction to sell its Sara Lee-brand frozen baked goods and desserts business,** the Australian Financial Review reported. Sara Lee has a 53% share of the retail frozen desserts market in Australian and New Zealand

Source: Merger Market



Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM %	TSR % Sep-20	EV / EBITDA				EV / EBIT				PE		
								Actual	Forecasts		Growth	Actual	Forecasts		Growth	Actual	Forecasts	
								LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020
Restaurants / Fast Food																		
Domino's Pizza Enterprises Limited	AUD	83.90	7,259	8,491	15%	1.4	-6%	33.0x	28.8x	21.5x	23.8%	40.6x	37.3x	33.9x	9.5%	n/m	49.0x	45.2x
Retail Food Group Limited	AUD	0.08	176	315	44%	-	24%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Restaurant Brands New Zealand Limited	NZD	12.10	1,510	2,062	27%	-	-2%	18.0x	21.0x	16.6x	4.0%	25.4x	29.3x	24.7x	1.4%	43.7x	38.1x	30.0x
Collins Foods Limited	AUD	10.62	1,238	1,833	32%	1.9	-2%	15.2x	15.2x	14.9x	0.7%	22.1x	23.2x	22.9x	-1.8%	38.6x	26.4x	26.9x
Mean								22.1x	21.7x	17.7x	9.5%	29.4x	29.9x	27.2x	3.0%	41.1x	37.8x	34.0x
Median								18.0x	21.0x	16.6x	4.0%	25.4x	29.3x	24.7x	1.4%	41.1x	38.1x	30.0x
FMCG - Beverage																		
Coca-Cola Amatil Limited	AUD	9.86	7,139	9,347	20%	3.5	2%	11.8x	9.9x	11.2x	2.7%	17.5x	15.1x	18.8x	-3.4%	21.7x	18.8x	23.2x
Treasury Wine Estates Limited	AUD	9.13	6,586	8,066	18%	3.1	-3%	13.6x	11.2x	11.3x	9.4%	15.6x	11.3x	16.6x	-3.1%	24.4x	14.3x	22.8x
Delegat Group Limited	NZD	14.58	1,474	1,809	18%	1.2	10%	16.1x	17.2x	15.4x	2.2%	18.9x	20.2x	18.6x	0.9%	27.7x	26.5x	23.6x
Australian Vintage Ltd	AUD	0.52	145	270	47%	5.2	9%	9.9x	9.7x	7.8x	12.5%	14.1x	17.5x	12.7x	5.4%	13.8x	12.9x	12.0x
Gage Roads Brewing Co. Limited	AUD	0.05	67	85	21%	-	12%	n/m	31.6x	34.1x	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Mean								12.8x	15.9x	16.0x	6.7%	16.5x	16.0x	16.7x	-0.1%	21.9x	18.1x	20.4x
Median								12.7x	11.2x	11.3x	6.1%	16.5x	16.3x	17.6x	-1.1%	23.1x	16.6x	23.0x
FMCG - Food & Dairy																		
Fonterra Co-operative Group Limited	NZD	4.04	6,513	11,651	44%	1.2	2%	9.0x	n/m	n/m	n/a	13.4x	n/m	n/m	n/a	17.5x	n/m	n/m
Blackmores Limited	AUD	63.22	1,223	1,290	5%	-	-3%	30.5x	17.5x	21.4x	19.5%	46.5x	20.7x	31.8x	20.8%	n/m	28.5x	n/m
Bega Cheese Limited	AUD	5.31	1,142	1,378	17%	1.9	-1%	18.7x	12.9x	12.2x	23.9%	35.9x	21.4x	20.9x	31.2%	n/m	31.2x	28.1x
The a2 Milk Company Limited	NZD	15.50	11,510	10,673	-8%	-	-21%	19.4x	23.9x	20.6x	-2.8%	19.5x	24.0x	20.8x	-3.2%	33.0x	37.0x	29.3x
Freedom Foods Group Limited	AUD	3.01	834	1,152	28%	1.1	-	28.8x	17.7x	14.7x	39.8%	42.7x	28.7x	39.2x	4.4%	53.2x	25.5x	41.3x
Synlait Milk Limited	NZD	5.51	988	1,531	35%	-	-15%	9.3x	9.3x	8.5x	4.5%	12.3x	12.0x	11.9x	1.8%	15.0x	13.8x	12.5x
Comvita Limited	NZD	3.17	221	248	11%	-	-4%	28.0x	25.8x	11.6x	55.1%	n/m	53.6x	29.2x	n/a	n/m	n/m	n/m
Mean								20.5x	17.9x	14.8x	23.3%	28.4x	26.7x	25.6x	11.0%	29.7x	27.2x	27.8x
Median								19.4x	17.6x	13.5x	21.7%	27.7x	22.7x	25.1x	4.4%	25.2x	28.5x	28.7x
FMCG - Food (Production)																		
Inghams Group Limited	AUD	3.07	1,141	3,057	63%	4.6	-8%	17.1x	16.0x	7.4x	52.5%	24.7x	19.0x	20.9x	8.8%	32.8x	13.2x	17.2x
Australian Agricultural Company Limited	AUD	1.10	663	1,070	38%	-	4%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Costa Group Holdings Limited	AUD	3.67	1,471	2,012	26%	1.6	3%	20.5x	14.4x	12.0x	30.8%	49.4x	37.9x	24.0x	43.4%	n/m	44.6x	32.0x
Select Harvests Limited	AUD	6.62	640	978	35%	4.4	2%	10.3x	10.9x	16.3x	-20.7%	13.2x	14.2x	23.7x	-25.4%	14.2x	13.3x	24.3x
Tassal Group Limited	AUD	3.62	765	1,180	35%	5.0	-3%	8.1x	9.4x	8.1x	0.1%	10.9x	12.4x	11.2x	-1.6%	11.9x	13.0x	11.7x
Sanford Limited	NZD	5.55	519	717	28%	3.4	0%	9.6x	8.9x	10.4x	-3.9%	14.2x	12.1x	15.9x	-5.6%	19.3x	13.3x	18.6x
Huon Aquaculture Group Limited	AUD	2.86	314	654	52%	-	-5%	14.1x	15.1x	11.5x	10.8%	n/m	47.0x	30.3x	n/a	n/m	8.9x	21.5x
Mean								12.5x	11.7x	11.7x	3.4%	21.9x	24.7x	21.0x	2.7%	15.1x	18.6x	21.6x
Median								10.3x	10.9x	11.5x	0.1%	13.7x	14.2x	23.7x	-3.6%	14.2x	13.3x	21.5x
FMCG - Other																		
Asaleo Care Limited	AUD	1.02	554	699	21%	2.0	-9%	9.0x	8.7x	7.8x	7.4%	11.2x	12.7x	11.1x	0.7%	16.5x	18.4x	14.5x
BWX Limited	AUD	4.43	618	665	7%	0.9	-12%	25.2x	24.7x	21.1x	9.3%	28.8x	30.7x	25.1x	7.1%	42.9x	42.6x	34.7x
Shaver Shop Group Limited	AUD	0.94	118	143	17%	2.9	3%	7.4x	9.5x	7.8x	-3.2%	8.3x	11.5x	9.2x	-5.1%	12.1x	14.1x	11.1x
Pental Limited	AUD	0.46	62	60	-4%	4.8	0%	5.3x	n/m	4.8x	5.2%	8.1x	n/m	7.3x	5.0%	13.7x	n/m	11.0x
Mean								11.7x	14.3x	10.4x	4.7%	14.1x	18.3x	13.2x	1.9%	21.3x	25.0x	17.8x
Median								8.2x	9.5x	7.8x	6.3%	9.8x	12.7x	10.2x	2.8%	15.1x	18.4x	12.8x
E-commerce																		
SEEK Limited	AUD	22.71	7,989	9,706	15%	0.6	4%	30.3x	20.8x	28.7x	2.8%	36.1x	28.4x	42.2x	-7.5%	n/m	43.7x	n/m
REA Group Limited	AUD	117.65	15,496	15,601	1%	0.9	-5%	37.6x	31.9x	34.8x	3.9%	38.7x	37.4x	37.1x	2.1%	n/m	n/m	n/m
carsales.com Ltd	AUD	21.71	5,343	5,783	8%	2.2	2%	32.2x	26.6x	24.4x	15.0%	34.9x	29.4x	28.2x	11.3%	53.5x	39.7x	37.8x
Webjet Limited	AUD	4.20	1,424	1,424	0%	2.1	7%	n/m	9.6x	n/m	n/a	n/m	11.3x	n/m	n/a	n/m	12.3x	n/m
Infomedica Ltd	AUD	1.58	593	495	-20%	2.7	-2%	19.7x	12.1x	10.4x	37.5%	20.4x	25.8x	19.0x	3.5%	33.7x	27.9x	26.7x
Mean								30.0x	20.2x	24.6x	14.8%	32.5x	26.5x	31.6x	2.4%	43.6x	30.9x	32.2x
Median								31.3x	20.8x	26.5x	9.5%	35.5x	28.4x	32.6x	2.8%	43.6x	33.8x	32.2x

Source: CapitalIQ, as at 7 October 2020

Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM %	TSR % Sep-20	EV / EBITDA				EV / EBIT				PE		
								Actual	Forecasts		Growth	Actual	Forecasts		Growth	Actual	Forecasts	
								LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020
Household Goods																		
Harvey Norman Holdings Limited	AUD	4.74	5,906	7,065	16%	3.8	7%	9.0x	9.4x	8.2x	5.0%	9.8x	13.1x	6.1x	27.3%	13.4x	16.0x	12.3x
JB Hi-Fi Limited	AUD	48.75	5,601	6,091	8%	3.9	-8%	11.3x	13.9x	8.3x	16.6%	12.6x	16.0x	12.4x	0.8%	19.9x	21.6x	14.5x
The Warehouse Group Limited	NZD	2.20	760	1,805	58%	3.6	5%	9.5x	n/m	10.8x	-6.1%	12.8x	16.1x	17.0x	-13.2%	10.7x	10.8x	12.0x
Breville Group Limited	AUD	27.71	3,850	3,746	-3%	1.5	-7%	32.4x	29.7x	25.6x	12.4%	34.1x	35.3x	31.4x	4.2%	n/m	49.2x	46.4x
GUD Holdings Limited	AUD	11.87	1,032	1,255	18%	3.1	-2%	14.7x	13.7x	12.9x	7.0%	15.5x	14.8x	15.0x	1.9%	23.5x	17.3x	22.0x
GWA Group Limited	AUD	2.86	755	975	23%	4.0	11%	12.8x	11.6x	11.8x	4.2%	13.9x	12.7x	15.9x	-6.6%	19.3x	15.2x	17.9x
Adairs Limited	AUD	3.65	617	731	16%	3.0	-4%	10.5x	14.2x	9.1x	7.1%	11.7x	16.9x	9.9x	8.8%	17.4x	20.3x	13.8x
Michael Hill International Limited	AUD	0.43	-	158	100%	n/a	17%	8.9x	5.8x	4.2x	46.0%	15.7x	8.8x	10.3x	23.8%	20.5x	7.0x	10.5x
Beacon Lighting Group Limited	AUD	1.30	290	390	26%	3.8	8%	11.2x	14.9x	8.0x	18.6%	12.9x	18.0x	12.4x	1.8%	19.0x	16.0x	13.5x
Nick Scali Limited	AUD	8.93	723	875	17%	5.3	-2%	13.0x	14.0x	11.9x	4.7%	13.9x	15.1x	12.7x	4.6%	20.2x	17.8x	16.3x
Thorn Group Limited	AUD	0.22	69	343	80%	-	13%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Vita Group Limited	AUD	1.08	177	200	11%	2.2	-7%	6.3x	4.6x	4.1x	23.6%	10.1x	6.2x	4.7x	45.9%	12.2x	7.8x	7.6x
Kogan.com Ltd	AUD	22.01	2,485	2,341	-6%	1.0	-3%	n/m	n/m	32.8x	n/a	n/m	n/m	37.1x	n/a	n/m	n/m	51.2x
Shriro Holdings Limited	AUD	0.75	71	74	4%	8.0	15%	4.3x	n/m	7.4x	-24.3%	5.1x	n/m	20.1x	-49.6%	9.2x	n/m	46.9x
McPherson's Limited	AUD	3.02	326	344	5%	3.6	-2%	11.8x	14.1x	10.6x	5.6%	12.8x	16.3x	16.4x	-11.6%	23.6x	22.6x	18.8x
Cavalier Corporation Limited	NZD	0.32	22	40	46%	-	3%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Smiths City Group Limited	NZD	0.14	7	112	93%	-	-	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Mean								12.0x	13.3x	11.8x	9.3%	13.9x	15.8x	15.8x	2.9%	17.4x	18.5x	21.7x
Median								11.2x	13.9x	9.9x	7.0%	12.8x	15.5x	13.9x	1.9%	19.1x	16.7x	15.4x
Diversified Retail																		
Super Retail Group Limited	AUD	11.25	2,540	3,442	26%	1.7	-1%	12.9x	8.2x	7.7x	29.5%	16.3x	14.2x	13.2x	11.2%	22.8x	15.3x	13.6x
EBOS Group Limited	AUD	24.36	3,954	4,526	13%	3.0	8%	15.4x	16.2x	13.2x	8.3%	17.6x	18.5x	15.4x	6.6%	26.9x	23.8x	21.2x
Australian Pharmaceutical Industries Limited	AUD	1.04	510	794	35%	3.9	-3%	7.9x	6.8x	7.6x	2.2%	9.7x	8.4x	11.7x	-9.1%	12.2x	10.4x	15.2x
The Reject Shop Limited	AUD	6.86	263	364	28%	-	-8%	12.8x	17.7x	13.8x	-3.7%	36.2x	n/m	45.7x	-11.0%	n/m	n/m	42.5x
Baby Bunting Group Limited	AUD	4.93	629	722	13%	2.1	0%	20.3x	22.8x	19.8x	1.5%	23.5x	27.4x	24.3x	-1.6%	48.0x	34.5x	30.3x
Cash Converters International Limited	AUD	0.17	102	136	25%	-	-24%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	5.1x	n/m	n/m
Mean								13.9x	14.4x	12.4x	7.5%	20.7x	17.1x	22.1x	-0.8%	23.0x	21.0x	24.5x
Median								12.9x	16.2x	13.2x	2.2%	17.6x	16.4x	15.4x	-1.6%	22.8x	19.6x	21.2x
Automotive Retail																		
Eagers Automotive Limited	AUD	11.15	2,865	5,194	45%	1.0	2%	16.7x	23.7x	19.1x	-6.6%	20.4x	28.9x	29.7x	-17.2%	28.3x	26.1x	39.0x
ARB Corporation Limited	AUD	30.04	2,398	2,401	0%	1.3	10%	26.0x	26.5x	22.2x	8.3%	30.1x	32.7x	27.7x	4.3%	49.1x	43.2x	38.0x
Bapcor Limited	AUD	7.45	2,529	2,815	10%	2.3	0%	17.9x	16.6x	14.8x	10.0%	20.2x	19.7x	19.2x	2.8%	29.2x	21.9x	24.4x
MotorCycle Holdings Limited	AUD	2.49	154	221	30%	-	6%	9.3x	12.5x	7.2x	13.6%	11.1x	16.2x	8.9x	11.3%	11.2x	14.6x	9.2x
Mean								20.2x	22.3x	18.7x	3.9%	23.6x	27.1x	25.5x	-3.4%	35.5x	30.4x	33.8x
Median								17.9x	23.7x	19.1x	8.3%	20.4x	28.9x	27.7x	2.8%	29.2x	26.1x	38.0x
Other																		
Elders Limited	AUD	11.67	1,818	2,138	15%	1.5	7%	23.9x	28.0x	15.4x	24.6%	24.9x	29.7x	18.5x	16.1%	33.1x	21.2x	17.3x
McGrath Limited	AUD	0.26	43	50	14%	-	-2%	10.4x	n/m	n/m	n/a	35.9x	n/m	n/m	n/a	n/m	n/m	n/m
Mean								17.1x	28.0x	15.4x	24.6%	30.4x	29.7x	18.5x	16.1%	33.1x	21.2x	17.3x
Median								17.1x	28.0x	15.4x	24.6%	30.4x	29.7x	18.5x	16.1%	33.1x	21.2x	17.3x
Apparel / Accessories																		
Premier Investments Limited	AUD	22.32	3,543	3,536	0%	3.1	8%	13.6x	12.4x	8.6x	25.7%	16.4x	20.4x	19.6x	-8.5%	24.6x	26.0x	26.0x
Lovisa Holdings Limited	AUD	8.65	930	1,075	14%	1.7	13%	24.2x	15.9x	12.4x	39.6%	34.2x	19.2x	n/m	n/a	n/m	23.8x	34.1x
Kathmandu Holdings Limited	NZD	1.28	908	1,219	25%	-	-	22.6x	14.3x	10.5x	46.9%	40.1x	18.2x	16.6x	55.3%	n/m	8.5x	28.3x
Hallenstein Glasson Holdings Limited	NZD	5.98	356	392	9%	6.5	21%	8.2x	n/m	n/m	n/a	10.3x	n/m	n/m	n/a	16.1x	n/m	n/m
The PAS Group Limited	AUD	0.05	7	28	75%	-	-	10.3x	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m
Mean								15.8x	14.2x	10.5x	37.4%	25.3x	19.3x	18.1x	23.4%	20.4x	19.4x	29.4x
Median								13.6x	14.3x	10.5x	39.6%	25.3x	19.2x	18.1x	23.4%	20.4x	23.8x	28.3x
Department Stores																		
Myer Holdings Limited	AUD	0.21	168	1,955	91.4%	-	-5%	14.5x	7.9x	6.5x	49.8%	28.5x	23.7x	22.0x	14.0%	n/m	4.9x	n/m
Supermarkets																		
Wesfarmers Limited	AUD	46.04	52,202	59,187	12%	3.3	-8%	17.9x	14.8x	13.3x	16.1%	21.2x	20.2x	20.5x	1.7%	30.0x	26.6x	25.7x
Woolworths Group Limited	AUD	37.77	47,600	64,481	26%	2.5	-7%	15.3x	13.3x	11.0x	17.5%	20.0x	21.6x	19.2x	2.0%	33.0x	26.4x	29.8x
Metcash Limited	AUD	2.86	2,924	3,737	21%	4.4	-7%	11.4x	9.9x	7.4x	23.7%	12.6x	11.6x	10.9x	7.7%	14.8x	12.9x	12.8x
Mean								14.9x	12.7x	10.6x	19.1%	18.0x	17.8x	16.9x	3.8%	25.9x	22.0x	22.8x
Median								15.3x	13.3x	11.0x	17.5%	20.0x	20.2x	19.2x	2.0%	30.0x	26.4x	25.7x

Source: CapitalIQ, as at 7 October 2020

Retail sector trends

As reported by the ABS, the seasonally adjusted Australian retail turnover for August 2020 trends are as follows:

- **Food retailing:** The seasonally adjusted estimate for Food retailing fell 0.2% in August 2020. By industry subgroup, the seasonally adjusted estimate rose for Supermarkets and grocery stores (0.1%), and Other specialised food retailing (0.5%), and fell for Liquor retailing (-2.9%).
- **Household goods retailing:** The seasonally adjusted estimate for Household goods retailing fell 6.0% in August 2020. By industry subgroup, the seasonally adjusted estimate fell for Hardware, building and garden supplies retailing (-6.1%), Electrical and electronic goods retailing (-7.7%), and for Furniture, floor coverings, houseware and textile goods retailing (-3.3%).
- **Clothing, footwear and personal accessory retailing:** The seasonally adjusted estimate for Clothing, footwear and personal accessory retailing fell 10.5% in August 2020. By industry subgroup, the seasonally adjusted estimate fell for Clothing retailing (-13.6%), and Footwear and other personal accessory retailing (-3.8%).
- **Department stores:** The seasonally adjusted estimate for Department stores fell 8.9% in August 2020.
- **Cafes, restaurants and take-away food services:** The seasonally adjusted estimate for Cafes, restaurants and takeaway food services fell 6.6% in August 2020. By industry subgroup, the seasonally adjusted estimate fell for Cafes, restaurants and catering services (-9.1%), and Takeaway food services (-3.9%).
- **Other retailing:** The seasonally adjusted estimate for Other retailing fell 5.1% in August 2020. By industry subgroup, the seasonally adjusted estimate fell for Pharmaceutical, cosmetic and toiletry goods retailing (-5.5%), and Other recreational goods retailing (-13.2%), Other retailing n.e.c. (-1.8%), and Newspaper and book retailing (-10.5%).

Source: ABS data released 2 October 2020. Data refers to the seasonally adjusted estimates by industry



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